

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIRST LEGISLATURE
FIRST SPECIAL SESSION

LEGISLATIVE BILL 2

Introduced by Speaker Flood, 19; at the request of the Governor.

Read first time November 04, 2009

Committee: Appropriations

A BILL

1 FOR AN ACT relating to funds; to amend section 77-3,111,
2 Reissue Revised Statutes of Nebraska, sections 71-5714
3 and 72-1001, Revised Statutes Cumulative Supplement,
4 2008, and sections 9-812 and 82-331, Revised Statutes
5 Supplement, 2009; to provide for and eliminate certain
6 fund transfers; to harmonize provisions; to repeal the
7 original sections; to outright repeal sections 90-513 and
8 90-514, Revised Statutes Supplement, 2009; and to declare
9 an emergency.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Revised Statutes Supplement,
2 2009, is amended to read:

3 9-812 (1) All money received from the operation of
4 lottery games conducted pursuant to the State Lottery Act in
5 Nebraska shall be credited to the State Lottery Operation Trust
6 Fund, which fund is hereby created. All payments of the costs
7 of establishing and maintaining the lottery games shall be made
8 from the State Lottery Operation Cash Fund. In accordance with
9 legislative appropriations, money for payments for expenses of the
10 division shall be transferred from the State Lottery Operation
11 Trust Fund to the State Lottery Operation Cash Fund, which fund
12 is hereby created. All money necessary for the payment of lottery
13 prizes shall be transferred from the State Lottery Operation Trust
14 Fund to the State Lottery Prize Trust Fund, which fund is hereby
15 created. The amount used for the payment of lottery prizes shall
16 not be less than forty percent of the dollar amount of the lottery
17 tickets which have been sold.

18 (2) Beginning October 1, 2003, a portion of the dollar
19 amount of the lottery tickets which have been sold on an annualized
20 basis shall be transferred from the State Lottery Operation Trust
21 Fund to the Education Innovation Fund, the Nebraska Scholarship
22 Fund, the Nebraska Environmental Trust Fund, the Nebraska State
23 Fair Board, and the Compulsive Gamblers Assistance Fund. The dollar
24 amount transferred pursuant to this subsection shall equal the
25 greater of (a) the dollar amount transferred to the funds in

1 fiscal year 2002-03 or (b) any amount which constitutes at least
2 twenty-two percent and no more than twenty-five percent of the
3 dollar amount of the lottery tickets which have been sold on an
4 annualized basis. To the extent that funds are available, the
5 Tax Commissioner and director may authorize a transfer exceeding
6 twenty-five percent of the dollar amount of the lottery tickets
7 sold on an annualized basis.

8 (3) Of the money available to be transferred to the
9 Education Innovation Fund, the Nebraska Scholarship Fund, the
10 Nebraska Environmental Trust Fund, the Nebraska State Fair Board,
11 and the Compulsive Gamblers Assistance Fund:

12 (a) The first five hundred thousand dollars shall be
13 transferred to the Compulsive Gamblers Assistance Fund to be used
14 as provided in section 71-817;

15 (b) Nineteen and three-fourths percent of the money
16 remaining after the payment of prizes and operating expenses and
17 the initial transfer to the Compulsive Gamblers Assistance Fund
18 shall be transferred to the Education Innovation Fund;

19 (c) Twenty-four and three-fourths percent of the money
20 remaining after the payment of prizes and operating expenses and
21 the initial transfer to the Compulsive Gamblers Assistance Fund
22 shall be transferred to the Nebraska Scholarship Fund;

23 (d) Forty-four and one-half percent of the money
24 remaining after the payment of prizes and operating expenses and
25 the initial transfer to the Compulsive Gamblers Assistance Fund

1 shall be transferred to the Nebraska Environmental Trust Fund to be
2 used as provided in the Nebraska Environmental Trust Act;

3 (e) Ten percent of the money remaining after the payment
4 of prizes and operating expenses and the initial transfer to
5 the Compulsive Gamblers Assistance Fund shall be transferred to
6 the Nebraska State Fair Board if the most populous city within
7 the county in which the fair is located provides matching funds
8 equivalent to ten percent of the funds available for transfer. Such
9 matching funds may be obtained from the city and any other private
10 or public entity, except that no portion of such matching funds
11 shall be provided by the state. If the Nebraska State Fair ceases
12 operations, ten percent of the money remaining after the payment
13 of prizes and operating expenses and the initial transfer to the
14 Compulsive Gamblers Assistance Fund shall be transferred to the
15 General Fund; and

16 (f) One percent of the money remaining after the payment
17 of prizes and operating expenses and the initial transfer to the
18 Compulsive Gamblers Assistance Fund shall be transferred to the
19 Compulsive Gamblers Assistance Fund to be used as provided in
20 section 71-817.

21 (4) (a) The Education Innovation Fund is created. At least
22 seventy-five percent of the lottery proceeds allocated to the
23 Education Innovation Fund shall be available for disbursement.

24 (b) For fiscal year 2005-06, the Education Innovation
25 Fund shall be allocated as follows: The first one million dollars

1 shall be transferred to the School District Reorganization Fund,
2 and the remaining amount shall be allocated to the General Fund
3 after operating expenses for the Excellence in Education Council
4 are deducted.

5 (c) For fiscal year 2006-07, the Education Innovation
6 Fund shall be allocated as follows: The first two hundred fifty
7 thousand dollars shall be transferred to the Attracting Excellence
8 to Teaching Program Cash Fund to fund the Attracting Excellence
9 to Teaching Program Act, the next one million dollars shall
10 be transferred to the School District Reorganization Fund, and
11 the amount remaining in the Education Innovation Fund shall be
12 allocated, after administrative expenses, for distance education
13 equipment and incentives pursuant to sections 79-1336 and 79-1337.

14 (d) For fiscal year 2007-08, the Education Innovation
15 Fund shall be allocated as follows: The first five hundred thousand
16 dollars shall be transferred to the Attracting Excellence to
17 Teaching Program Cash Fund to fund the Attracting Excellence to
18 Teaching Program Act, and the amount remaining in the Education
19 Innovation Fund shall be allocated, after administrative expenses,
20 for distance education equipment and incentives pursuant to
21 sections 79-1336 and 79-1337.

22 (e) For fiscal year 2008-09, the Education Innovation
23 Fund shall be allocated as follows: The first seven hundred
24 fifty thousand dollars shall be transferred to the Attracting
25 Excellence to Teaching Program Cash Fund to fund the Attracting

1 Excellence to Teaching Program Act, and the amount remaining in the
2 Education Innovation Fund shall be allocated, after administrative
3 expenses, for distance education equipment and incentives pursuant
4 to sections 79-1336 and 79-1337.

5 (f) For fiscal year 2009-10, the Education Innovation
6 Fund shall be allocated as follows: Any amounts transferred to the
7 Education Innovation Fund from the School District Reorganization
8 Fund shall be returned to the School District Reorganization Fund
9 first, the next one million dollars shall be transferred to the
10 Excellence in Teaching Cash Fund to fund the Excellence in Teaching
11 Act, and the amount remaining in the Education Innovation Fund
12 shall be allocated, after administrative expenses, for distance
13 education equipment and incentives pursuant to sections 79-1336 and
14 79-1337.

15 (g) For fiscal years 2010-11 through 2015-16, the
16 Education Innovation Fund shall be allocated as follows: The first
17 one million dollars shall be transferred to the Excellence in
18 Teaching Cash Fund to fund the Excellence in Teaching Act, and
19 the amount remaining in the Education Innovation Fund shall be
20 allocated, after administrative expenses, for distance education
21 equipment and incentives pursuant to sections 79-1336 and 79-1337.

22 (h) For fiscal year 2016-17 and each fiscal year
23 thereafter, the Education Innovation Fund shall be allocated,
24 after administrative expenses, for education purposes as provided
25 by the Legislature.

1 (i) The State Treasurer shall transfer ten million
2 dollars from the Education Innovation Fund to the University
3 Cash Fund on or before December 31, 2009, as directed by the budget
4 administrator of the Department of Administrative Services.

5 (5) Any money in the State Lottery Operation Trust
6 Fund, the State Lottery Operation Cash Fund, the State Lottery
7 Prize Trust Fund, or the Education Innovation Fund available
8 for investment shall be invested by the state investment officer
9 pursuant to the Nebraska Capital Expansion Act and the Nebraska
10 State Funds Investment Act.

11 (6) Unclaimed prize money on a winning lottery ticket
12 shall be retained for a period of time prescribed by rules and
13 regulations. If no claim is made within such period, the prize
14 money shall be used at the discretion of the Tax Commissioner for
15 any of the purposes prescribed in this section.

16 Sec. 2. Section 71-5714, Revised Statutes Cumulative
17 Supplement, 2008, is amended to read:

18 71-5714 The Tobacco Prevention and Control Cash
19 Fund is created. The fund shall be used for a comprehensive
20 statewide tobacco-related public health program administered by
21 the Department of Health and Human Services which includes, but
22 is not limited to (1) community programs to reduce tobacco use,
23 (2) chronic disease programs, (3) school programs, (4) statewide
24 programs, (5) enforcement, (6) counter marketing, (7) cessation
25 programs, (8) surveillance and evaluation, and (9) administration.

1 Any money in the Tobacco Prevention and Control Cash Fund available
2 for investment shall be invested by the state investment officer
3 pursuant to the Nebraska Capital Expansion Act and the Nebraska
4 State Funds Investment Act.

5 The State Treasurer shall transfer, on or before June
6 30, 2010, as directed by the budget administrator of the budget
7 division of the Department of Administrative Services, one million
8 three hundred thousand dollars from the Tobacco Prevention and
9 Control Cash Fund to the Health and Human Services Cash Fund.

10 Sec. 3. Section 72-1001, Revised Statutes Cumulative
11 Supplement, 2008, is amended to read:

12 72-1001 The Nebraska Capital Construction Fund is
13 created. The fund shall consist of revenue and transfers credited
14 to the fund as authorized by law. Money shall be appropriated
15 from the fund to state agencies for making payments on projects
16 as determined by the Legislature, including, but not limited to,
17 purchases of land, structural improvements to land, acquisition
18 of buildings, construction of buildings, including architectural
19 and engineering costs, replacement of or major repairs to
20 structural improvements to land or buildings, additions to existing
21 structures, remodeling of buildings, and acquisition of equipment
22 and furnishings of new or remodeled buildings. The fund shall
23 be administered by the State Treasurer as a multiple-agency-use
24 fund and appropriated to state agencies as determined by the
25 Legislature. Any money in the fund available for investment

1 shall be invested by the state investment officer pursuant to
2 the Nebraska Capital Expansion Act and the Nebraska State Funds
3 Investment Act.

4 The State Treasurer shall transfer one million dollars
5 from the Nebraska Capital Construction Fund to the General Fund
6 on or before June 30, 2010, on such date as directed by the
7 budget administrator of the budget division of the Department of
8 Administrative Services.

9 Sec. 4. Section 77-3,111, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 77-3,111 There is hereby created a fund to be known
12 as the Miscellaneous Services Revolving Fund to which shall
13 be credited all money received by the Department of Revenue
14 for services performed and billed to other agencies or persons.
15 All reimbursements to the department for such services shall be
16 credited to the fund and expenditures therefrom shall be made only
17 when such funds are available. The Department of Revenue shall only
18 bill for the actual amount expended in performing such services.

19 Any money in the fund shall be administered by the
20 Department of Revenue, and any money in the fund available for
21 investment shall be invested by the state investment officer
22 pursuant to the Nebraska Capital Expansion Act and the Nebraska
23 State Funds Investment Act.

24 The entire amount in the Miscellaneous Services Revolving
25 Fund shall lapse to the General Fund on December 15, 2009.

1 Sec. 5. Section 82-331, Revised Statutes Supplement,
2 2009, is amended to read:

3 82-331 (1) There is hereby established in the state
4 treasury a trust fund to be known as the Nebraska Cultural
5 Preservation Endowment Fund. The fund shall consist of funds
6 appropriated or transferred by the Legislature, and only the
7 earnings of the fund may be used as provided in this section.

8 (2) On August 1, 1998, the State Treasurer shall transfer
9 five million dollars from the General Fund to the Nebraska Cultural
10 Preservation Endowment Fund.

11 (3) Except as provided in subsection (4) of this section,
12 it is the intent of the Legislature that the State Treasurer
13 shall transfer ~~(a) an amount not to exceed five hundred thousand~~
14 ~~dollars from the General Fund to the Nebraska Cultural Preservation~~
15 ~~Endowment Fund on December 31 of 2009 and 2010 and (b) an amount~~
16 not to exceed one million five hundred thousand dollars from the
17 General Fund to the Nebraska Cultural Preservation Endowment Fund
18 on December 31 of 2011 and 2012.

19 (4) Prior to the transfer of funds from any state
20 account into the Nebraska Cultural Preservation Endowment Fund,
21 the Nebraska Arts Council shall provide documentation to the
22 budget division of the Department of Administrative Services that
23 qualified endowments have generated a dollar-for-dollar match
24 of new money, up to the amount of state funds authorized
25 by the Legislature to be transferred to the Nebraska Cultural

1 Preservation Endowment Fund. The budget division of the Department
2 of Administrative Services shall notify the State Treasurer to
3 execute a transfer of state funds up to the amount specified by the
4 Legislature, but only to the extent that the Nebraska Arts Council
5 has provided documentation of a dollar-for-dollar match. Funds not
6 transferred shall be carried forward to the succeeding year and be
7 added to the funds authorized for a dollar-for-dollar match during
8 that year.

9 (5) The Legislature shall not appropriate or transfer
10 money from the Nebraska Cultural Preservation Endowment Fund for
11 any purpose other than the purposes stated in sections 82-330 to
12 82-333, except that the Legislature may appropriate or transfer
13 money from the fund upon a finding that the purposes of such
14 sections are not being accomplished by the fund.

15 (6) Any money in the Nebraska Cultural Preservation
16 Endowment Fund available for investment shall be invested by the
17 state investment officer pursuant to the Nebraska Capital Expansion
18 Act and the Nebraska State Funds Investment Act.

19 (7) All investment earnings from the Nebraska Cultural
20 Preservation Endowment Fund shall be credited to the Nebraska Arts
21 and Humanities Cash Fund.

22 Sec. 6. The State Treasurer shall transfer \$214,008 from
23 the Agricultural Alcohol Fuel Tax Fund to the Ethanol Production
24 Incentive Cash Fund on or before June 30, 2010, on such date as
25 directed by the budget administrator of the budget division of the

1 Department of Administrative Services, pursuant to section 66-1334.

2 Sec. 7. The State Treasurer shall transfer \$28,016 from
3 the Agricultural Alcohol Fuel Tax Fund to the Ethanol Production
4 Incentive Cash Fund on or before June 30, 2011, on such date as
5 directed by the budget administrator of the budget division of the
6 Department of Administrative Services, pursuant to section 66-1334.

7 Sec. 8. Original section 77-3,111, Reissue Revised
8 Statutes of Nebraska, sections 71-5714 and 72-1001, Revised
9 Statutes Cumulative Supplement, 2008, and sections 9-812 and
10 82-331, Revised Statutes Supplement, 2009, are repealed.

11 Sec. 9. The following sections are outright repealed:
12 Sections 90-513 and 90-514, Revised Statutes Supplement, 2009.

13 Sec. 10. Since an emergency exists, this act takes effect
14 when passed and approved according to law.